THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) On 16th March, 1999 for the purpose of disinvestment, the Government classified the PSUs into "strategic" and "non-strategic" categories. It was decided that the strategic public sector enterprises would be those in the areas of:

Arms and ammunitions and the allied items of defence equipment, defence aircrafts and warships.

Atomic energy (except in the areas related to the generation of nuclear power and applications of radiation and radioisotopes to agriculture, medicine and non-strategic industries)

Railway transport.

All other public sector enterprises were to be considered non-strategic. The declared policy of the Government is to bring down Government equity in non-strategic PSUs to 26% or lower, in the generality of cases. However, in cases of PSUs involving strategic considerations, Government will continue to retain majority holding. In keeping with this policy, no disinvestment in "strategic sector" is anticipated. In addition, it has been decided that in respect of IOC, ONGC and GAIL, Government shareholding would not be reduced below 51%. It has also been decided that there is no need for disinvestment in OIL.

Sale of NALCO to foreign investor

3488. SHRI B.J. PANDA: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that Chairman of a French Aluminium giant has expressed interest for holding a stake in NALCO;

(b) the recommendations of Disinvestment Commission in respect of selling NALCO's shareholding to international investors;

(c) the percentage of shareholding of Government in NALCO; and

(d) who are the other groups of shareholders?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) The Expressions of Interest for acquiring a stake in NALCO have not yet been sought. Therefor, there is no question of anybody having filed an Expression of Interest for holding stake in NALCO at this stage.

(b) As regards international investors, the Disinvestment Commission has recommended a GDR issue of 15% of NALCO's shareholding at an appropriate time depending on the market conditions after capital restructuring.

(c) and (d) The Government holds 87.15% equity in NALCO. The balance equity is held by others as follows:—

	Shareholders	Percentage Shareholding
1.	Mutual Funds and UTI	6.23
2.	Banks/Financial Institutions/Insurance companies	0.74
3.	Foreign institutional investors	2.65
4.	Private Corporate Bodies	1.88
5.	Indian public	1.20
6.	NRIs/Overseas Corporate Bodies	0.08
7.	Others	0.07
		12.85

SCOPE Chief on mobilization of money for purchase of CPSUs

3489. SHRI NILOTPAL BASU: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government are aware of the observation of the Chief of the SCOPE that the money for purchase of CPSUs which have been put on strategic sale have been mobilized by private companies who account for NPAs in public sector financial institutions; and

(b) if so, the details thereof and the response of Government thereto?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) SCOPE's Memorandum on Economic Policy Issues for Union Budget 2002-Part-I has placed emphasis on an expeditious action for recovery of NPAs, "as those responsible for the NPAs are the most vocal advocates of disinvestments". This is a generalised statement and SCOPE has not substantiated the statement with any fact or figure. According to SCOPE, the total actual and potential NPAs amount to about Rs. 1,25,000 crore, impacting adversely the working of the Public Sector Financial Institutions and Banks. This is also a generalised statement without any substantiating details.

If the prospective bidders or Strategic Partners have loans, which are NPAs, outstanding against them, the concerned authorities like the Banks or Financial Institutions should take expeditious action in recovering the same as per established procedure/law.